

TOP SECRET
SECURITY INFORMATION

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CIA Proposed Re-wording, Paragraphs 2 - 3 of NSC 136 Draft of
7 November 1952

2. Present trends in Iran are unfavorable to the maintenance of control by a non-communist regime for an extended period of time. In wresting the political initiative from the Shah, the landlords, and other traditional holders of power, the National Front politicians now in power have at least temporarily eliminated every alternative to their own rule except the Communist Tudeh Party. However, the ability of the National Front to maintain control of the situation indefinitely is uncertain. The political upheaval which brought the nationalists to power has heightened popular desire for promised economic and social betterment and has increased social unrest. At the same time, nationalist failure to restore the oil industry to operation has led to near-exhaustion of the government's financial reserves and deficit financing to meet current expenses, and is likely to produce a progressive deterioration of the economy at large.

3. It is now estimated that communist forces will probably not gain control of the Iranian government during 1953. Nevertheless, the Iranian situation contains very great elements of instability. Any US policy regarding Iran must accordingly take into account the danger that the communists might be enabled to gain the ascendancy as a result of such possible developments as a struggle for power within the National Front, more effective communist infiltration of the government than now appears probable, government failure to maintain the security forces and to take effective action against communist activity, or a major crop failure. It is clear that the [redacted] no longer possesses the capability unilaterally to assure stability in the area. If present trends continue unchecked, Iran could be effectively lost to the free world before an actual Communist take-over of the Iranian government. Failure to arrest present trends in Iran involves a serious risk to the national security of the United States.

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✓ See also WIE-75, "Probable Developments in Iran during 1953," approved 6 November 1952. /